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Westly Announces Start of State Payroll Overhaul

SACRAMENTO – State Controller Steve Westly today announced the start of the long-awaited 21st Century Project to replace the State's 1970s-vintage payroll system. The project is the largest payroll technology plan ever taken on by a state and will save taxpayers \$20 million per year.

“The 21st Century Project will streamline California's payroll system to make government more efficient and save money. This is good news for State workers and California taxpayers,” Controller Westly said. “State government must harness technology to serve its customers better.”

California's payroll system has been outmoded for decades, but all previous attempts to replace it have failed. Controller Westly announced today that his office has signed contracts with SAP Public Service, Inc., and BearingPoint, Inc., to begin work on the project.

“California's current payroll system is so antiquated that we would be hard pressed to find technicians to fix it during a major break down,” Controller Westly said. “This project is not just about embracing new technology, it's about getting rid of old technology that could disrupt state government.”

The new system will eliminate paperwork by allowing 300,000 state employees to access and make changes to their payroll, benefits and leave records online. Today, for example, employees wishing to change their number of withholding exemptions would do so by mail.

The 21st Century Project will reduce costs associated with outdated paper-based practices and will automate current functions that require manual control.

SAP will provide software, five years of maintenance and will train state employees to run the software. BearingPoint will adapt SAP's software and implement it among the state's various agencies.

The Department of General Services administered open and competitive bidding processes that selected these companies.

The system will go online in November 2007. Full implementation is expected by June 2009.

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